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The Rt Hon Chris Grayling MP
Minister of State (Employment)
Department of Work and Pensions
Caxton house
Tothill Street
London, SW1H 9DA

7 February 2012

Please quote our ref: 12047A

I am writing to you on behalf of my constituent Mr George Curry, the Chief Executive of Westward Pathfinder, 3 The Square, Braunton, EX33 2JB who has been to brief me in respect of the funding model for the Work Programme. His not for profit organization delivers back to work training county wide as a 'Supply Chain Provider.'

Clearly the funding model is in trouble, the rear end funding is not being de-risked by the prime contractors, meaning there is a danger of the smaller front end suppliers going under. The real concern is that the private sector will cherry pick the ruins of the charities concerned for the easier to provide areas.

As you will see from the attached correspondence the financial risk is supposed to be carried by the 'Primes' but in reality this is not the case. Westward pathfinder has to subsidise the Work Programme from its other schemes. Payments are not being released until after six months of continuous employment - as a result Westward Pathfinder faces potential bankruptcy. In the immediate term two of its training centres will have to close.

In low income rural areas such as Devon, which will be the last to pick its way out of the economic crisis, only the locally focused third sector such as Pathfinder can really deliver. I would urge a review of the supply chain and reconsideration of the tail end funding model. I would also be grateful if your department could address the funding crisis highlighted in the attached and I look forward to your response at the soonest opportunity

Yours sincerely,

Nick Harvey
MP for North Devon

Enc.

1. E-mail from Mr Steve Keable, Chairman Westward Pathfinder, dated 27 January 2012
2. Westward Pathfinder Board Report, dated 25 January 2012

cc. Steve Webb MP, Minister of State (Pensions)